

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No. 1545-0047

2001

Open to Public Inspection

A For the 2001 calendar year, or tax year period beginning

and ending

B Check if applicable:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return
☐ Amended return
☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization

ATLANTIC LEGAL FOUNDATION

Number and street (or P O box if mail is not delivered to street address)

P. O. BOX 60483

City or town, state or country, and ZIP + 4

HARRISBURG, PA 17106-0483

D Employer identification number

23-2022920

E Telephone number

(717) 671-5966

F Accounting method: ☐ Cash ☒ Accrual
Other (specify) ▶

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)

H and **I** are not applicable to section 527 organizations**H(a)** Is this a group return for affiliates? ☐ Yes ☒ No**H(b)** If "Yes," enter number of affiliates ▶**H(c)** Are all affiliates included? N/A ☐ Yes ☐ No
(If "No," attach a list)**H(d)** Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No**I** Enter 4-digit GEN ▶**G** Web site ▶ N/A**J** Organization type (check only one) ☒ 501(c) (3) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527**K** Check here ☐ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.**M** Check ☐ if the organization is not required to attach Sch. B (Form 990 990-EZ, or 990-PF)**L** Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 ▶

533,812.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1	Contributions, gifts, grants, and similar amounts received			
	a	Direct public support	1a	454,853.	
	b	Indirect public support	1b		
	c	Government contributions (grants)	1c		
	d	Total (add lines 1a through 1c) (cash \$ 454,853. noncash \$)	1d	454,853.	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		
	3	Membership dues and assessments	3		
	4	Interest on savings and temporary cash investments	4	959.	
	5	Dividends and interest from securities	5		
	6a	Gross rents	6a		
b	Less: rental expenses	6b			
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7	Other investment income (describe ▶)	7			
Expenses	8a	Gross amount from sale of assets other than inventory	(A) Securities	(B) Other	
	b	Less: cost or other basis and sales expenses	8a		
	c	Gain or (loss) (attach schedule)	8b		
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8c		
	8d	Special events (attach schedule)			
	a	Gross revenue (not including 9a) of contributions	9a	63,000.	
	b	Less: direct expenses other than fundraising expenses	9b	29,100.	
	c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c	33,900.	
	10a	Gross sales or other revenue less returns and allowances	10a		
	b	Less: cost of goods sold	10b		
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
11	Other revenue (from Part VII, line 103)	11	15,000.		
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	504,712.		
Net Assets	13	Program services (from line 44, column (B))	13	356,351.	
	14	Management and general (from line 44, column (C))	14	108,885.	
	15	Fundraising (from line 44, column (D))	15	73,811.	
	16	Payments to affiliates (attach schedule)	16		
	17	Total expenses (add lines 16 and 44, column (A))	17	539,047.	
	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	-34,335.	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	117,317.	
	20	Other changes in net assets or fund balances (attach explanation)	20	0.	
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	82,982.	

123001

01-04-02

LHA For Paperwork Reduction Act Notice, see the separate instructions 1

Form 990 (2001)

12210509 791560 00008ATLEFOU 2001.05020 ATLANTIC LEGAL FOUNDATION 00008AT1

SCANNED JUL 23 2002

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Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule)				
	cash \$ _____ noncash \$ _____	22			
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc	25	267,000.	32,040.	34,710.
26	Other salaries and wages	26	38,549.	4,626.	5,011.
27	Pension plan contributions	27			
28	Other employee benefits	28	96,610.	11,593.	12,559.
29	Payroll taxes	29	23,633.	2,836.	3,072.
30	Professional fundraising fees	30			
31	Accounting fees	31	9,950.	9,950.	
32	Legal fees	32	11,178.	11,178.	
33	Supplies	33	2,451.	294.	319.
34	Telephone	34	2,263.	272.	294.
35	Postage and shipping	35	5,990.	4,242.	1,351.
36	Occupancy	36	3,970.	476.	516.
37	Equipment rental and maintenance	37	3,387.	407.	440.
38	Printing and publications	38	13,872.	3,457.	9,235.
39	Travel	39	10,237.	5,853.	11.
40	Conferences, conventions, and meetings	40	29,734.	28,039.	413.
41	Interest	41			
42	Depreciation, depletion, etc (attach schedule)	42	1,260.	1,260.	
43	Other expenses not covered above (itemize)				
a	INSURANCE	43a	6,699.	809.	
b	SUBSCRIPTIONS	43b	2,187.	27.	970.
c	MISCELLANEOUS	43c	6,469.	2,704.	2,204.
d	OTHER PROFESSIONAL	43d			
e	SERVICES	43e	3,608.	902.	2,706.
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D) carry these totals to lines 13-15	44	539,047.	356,351.	108,885.

Joint Costs Check ☐ if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?

☐ Yes ☒ No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____,

(iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____.

Part III Statement of Program Service AccomplishmentsWhat is the organization's primary exempt purpose? ☐

PUBLIC INTEREST LAW FIRM

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses

(Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts but optional for others)

a	SEE ATTACHED STATEMENT 4 - SUMMARY OF 2001 CASES	
	(Grants and allocations \$ _____)	356,351.
b	DONATED SERVICES INCLUDE RENT AND ACCOUNTING SERVICES TOTALING \$61,215 AND \$2,400 RESPECTIVELY	
	(Grants and allocations \$ _____)	
c		
	(Grants and allocations \$ _____)	
d		
	(Grants and allocations \$ _____)	
e	Other program services (attach schedule)	(Grants and allocations \$ _____)
f	Total of Program Service Expenses (should equal line 44 column (B), Program services)	356,351.

Part IV Balance Sheets

Note Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	34,051.	45	69,084.
	46 Savings and temporary cash investments	57,454.	46	19,004.
	47 a Accounts receivable	47a		
	b Less allowance for doubtful accounts	47b	47c	
	48 a Pledges receivable	48a	450.	
	b Less allowance for doubtful accounts	48b		
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees		50	
	51 a Other notes and loans receivable	51a		
	b Less allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	8,710.	53	10,111.
	54 Investments - securities	► <input type="checkbox"/> Cost <input type="checkbox"/> FMV	54	
	55 a Investments - land, buildings, and equipment basis	55a		
	b Less accumulated depreciation	55b	55c	
56 Investments - other		56		
57 a Land, buildings, and equipment basis	57a	45,557.		
b Less accumulated depreciation STMT 2	57b	42,697.		
58 Other assets (describe ►)		58		
59 Total assets (add lines 45 through 58) (must equal line 74)	134,985.	59	101,509.	
Liabilities	60 Accounts payable and accrued expenses	17,668.	60	18,527.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable		64b	
	65 Other liabilities (describe ►)		65	
66 Total liabilities (add lines 60 through 65)	17,668.	66	18,527.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted	117,317.	67	82,982.
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings endowment accumulated income, or other funds		72	
	73 Total net assets or fund balances (add lines 67 through 69 OR lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	117,317.	73	82,982.
74 Total liabilities and net assets / fund balances (add lines 66 and 73)	134,985.	74	101,509.	

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Part IV-B	Reconciliation of Expenses per Audited Financial Statements With Expenses per Return
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a	Total expenses and losses per audited financial statements	a	602,662.
b	Amounts included on line a but not on line 17, Form 990		
(1)	Donated services and use of facilities \$ 63,615.		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify) \$		
	Add amounts on lines (1) through (4)	b	63,615.
c	Line a minus line b	c	539,047.
d	Amounts included on line 17, Form 990 but not on line a		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify) \$		
	Add amounts on lines (1) and (2)	d	0.
e	Total expenses per line 17, Form 990 (line c plus line d)	e	539,047.

[illegible]

☐ Yes ☒ No

Part VI Other Information		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	77	X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year? N/A	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b	If "Yes," enter the name of the organization and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt		
81 a	Enter direct or indirect political expenditures. See line 81 instructions	81a	0.
b	Did the organization file Form 1120-POL for this year?	81b	X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	63,615.
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A	84b	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members? N/A	85a	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? N/A	85b	
	If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year		
c	Dues, assessments, and similar amounts from members	85c	N/A
d	Section 162(e) lobbying and political expenditures	85d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	85g	N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86	501(c)(7) organizations. Enter a Initiation fees and capital contributions included on line 12	86a	N/A
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87	501(c)(12) organizations. Enter a Gross income from members or shareholders	87a	N/A
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	N/A
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89 a	501(c)(3) organizations. Enter Amount of tax imposed on the organization during the year under section 4911 0., section 4912 0., section 4955 0.		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
d	Enter Amount of tax on line 89c, above, reimbursed by the organization		0.
90 a	List the states with which a copy of this return is filed PA, NY, MD, WV, NJ	90b	6
b	Number of employees employed in the pay period that includes March 12, 2001		

91 The books are in care of ROSEMARY HECKARD-WEBBER Telephone no 717-671-5966

Located at 3544 NORTH PROGRESS AVE., HARRISBURG, PA ZIP + 4 17110

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here
and enter the amount of tax-exempt interest received or accrued during the tax year

92

N/A

Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 32.)

Note Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue					
a					
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	959.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					33,900.
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a AWARDED LEGAL FEES			01	15,000.	
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		15,959.	33,900.
105 Total (add line 104, columns (B), (D), and (E))					49,859.

Note Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See Specific Instructions on page 32.)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
101	ANNUAL DINNER SPECIAL EVENT

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions on page 33.)

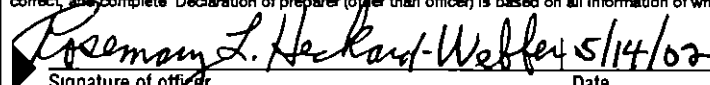
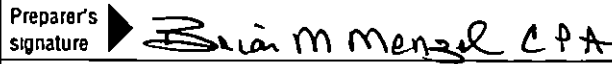
(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See Specific Instructions on page 33.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

Note If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
	 Signature of officer		Date 5/14/02	
Paid Preparer's Use Only	Preparer's signature  Firm's name (or yours if self-employed) address, and ZIP + 4 SIEGFRIED & SCHIEFFER, LLP 1201 MARKET STREET, SUITE 1601 WILMINGTON, DE 19801		Date 5/13/02	Check if self-employed <input type="checkbox"/>
	Preparer's SSN or PTIN 226-62-2200		EIN 22-1222000 Phone no.	

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information—(See separate instructions.)

► **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No 1545-0047

2001

Name of the organization

ATLANTIC LEGAL FOUNDATION

Employer identification number

23 2022920

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				
Total number of other employees paid over \$50,000	0			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services	0	

Part III Statements About Activities (See page 2 of the instructions)

Yes No

- 1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities **►** \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B)

1 X

Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.

- 2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)

a Sale, exchange, or leasing of property?

2a X

b Lending of money or other extension of credit?

2b X

c Furnishing of goods, services, or facilities?

2c X

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V, FORM 990

2d X

e Transfer of any part of its income or assets?

2e X

- 3 Does the organization make grants for scholarships, fellowships, student loans, etc.? (See Note below.)

3 X

- 4 Do you have a section 403(b) annuity plan for your employees?

4 X

Note. Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments.

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions)

The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 ☐ A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 ☐ A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 ☐ A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 ☐ A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state **►** _____
- 10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b ☐ A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) Use cash method of accounting
Note You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	442,047.	430,845.	526,020.	397,746.	1,796,658.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	4,333.	2,313.	412.	698.	7,756.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.		231,000.	SEE STATEMENT 3	25,000.	256,000.
23 Total of lines 15 through 22	446,380.	664,158.	526,432.	423,444.	2,060,414.
24 Line 23 minus line 17	446,380.	664,158.	526,432.	423,444.	2,060,414.
25 Enter 1% of line 23	4,464.	6,642.	5,264.	4,234.	
26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24				
					26a 41,208.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1997 through 2000 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.					26b 991,637.
c Total support for section 509(a)(1) test. Enter line 24, column (e).					26c 2,060,414.
d Add: Amounts from column (e) for lines 18 <u>7,756.</u> 19 <u>256,000.</u> 22 <u>991,637.</u>					26d 1,255,393.
e Public support (line 26c minus line 26d total)					26e 805,021.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 39.0708%
27 Organizations described on line 12	a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A				
	(2000)	(1999)	(1998)	(1997)	
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A	(2000)	(1999)	(1998)	(1997)	
c Add: Amounts from column (e) for lines 15 <u> </u> 16 <u> </u> 17 <u> </u> 20 <u> </u> 21 <u> </u>					27c N/A
d Add: Line 27a total <u> </u> and line 27b total <u> </u>					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test. Enter amount on line 23, column (e).					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %

28 Unusual Grants For an organization described in line 10, 11, or 12 that received any unusual grants during 1997 through 2000, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

NONE

Part V Private School Questionnaire (See page 7 of the instructions)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?

Yes No

29

30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues and other written communications with the public dealing with student admissions, programs, and scholarships?

30

31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?

31

If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)

32 Does the organization maintain the following

a Records indicating the racial composition of the student body, faculty, and administrative staff?

32a

b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?

32b

c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?

32c

d Copies of all material used by the organization or on its behalf to solicit contributions?

32d

If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)

33 Does the organization discriminate by race in any way with respect to

a Students' rights or privileges?

33a

b Admissions policies?

33b

c Employment of faculty or administrative staff?

33c

d Scholarships or other financial assistance?

33d

e Educational policies?

33e

f Use of facilities?

33f

g Athletic programs?

33g

h Other extracurricular activities?

33h

If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)

34 a Does the organization receive any financial aid or assistance from a governmental agency?

34a

b Has the organization's right to such aid ever been revoked or suspended?

34b

If you answered "Yes" to either 34a or b, please explain using an attached statement

35 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation

35

Schedule A (Form 990 or 990-EZ) 2001

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions)

N/A

(To be completed ONLY by an eligible organization that filed Form 5768)

Check ☒ a ☐ if the organization belongs to an affiliated groupCheck ☐ b ☐ if you checked "a" and "limited control" provisions apply**Limits on Lobbying Expenditures**

(The term "expenditures" means amounts paid or incurred)

(a)
Affiliated group
totals(b)
To be completed for ALL
electing organizations

N/A

36 Total lobbying expenditures to influence public opinion (grassroots lobbying)

36

37 Total lobbying expenditures to influence a legislative body (direct lobbying)

37

38 Total lobbying expenditures (add lines 36 and 37)

38

39 Other exempt purpose expenditures

39

40 Total exempt purpose expenditures (add lines 38 and 39)

40

41 Lobbying nontaxable amount. Enter the amount from the following table -

If the amount on line 40 is -

The lobbying nontaxable amount is -

Not over \$500,000

20% of the amount on line 40

Over \$500,000 but not over \$1,000,000

\$100,000 plus 15% of the excess over \$500,000

Over \$1,000,000 but not over \$1,500,000

\$175,000 plus 10% of the excess over \$1,000,000

Over \$1,500,000 but not over \$17,000,000

\$225,000 plus 5% of the excess over \$1,500,000

Over \$17,000,000

\$1,000,000

41

42 Grassroots nontaxable amount (enter 25% of line 41)

42

43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36

43

44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38

44

Caution If there is an amount on either line 43 or line 44, you must file Form 4720**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 11 of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period

N/A

Calendar year (or fiscal year beginning in) ▶	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

a Volunteers

b Paid staff or management (Include compensation in expenses reported on lines c through h)

c Media advertisements

d Mailings to members, legislators, or the public

e Publications, or published or broadcast statements

f Grants to other organizations for lobbying purposes

g Direct contact with legislators, their staffs, government officials, or a legislative body

h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means

i Total lobbying expenditures (Add lines c through h)

Yes	No	Amount
		0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

	Yes	No
51a(i)		X
a(ii)		X
b(i)		X
b(ii)		X
b(iii)		X
b(iv)		X
b(v)		X
b(vi)		X
c		X

[illegible]

52 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule N/A

[illegible]

Schedule B
(Form 990, 990-EZ, or
990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ and 990-PF (see instructions)

OMB No 1545-0047

2001

Name of organization

ATLANTIC LEGAL FOUNDATION

Employer identification number

23-2022920

Organization type (check one)

Filers of

Section

Form 990 or 990-EZ

☒ 501(c)(3) (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General rule** or a **Special rule**. (Note Only a section 501(c)(7), (8), or (10) organization can check box(es) for both the General rule and a Special rule—see instructions.)

General Rule—

☐ For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor (Complete Parts I and II)

Special Rules—

☒ For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms (Complete Parts I and II)

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals (Complete Parts I, II, and III)

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000 (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the General rule applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year) ▶ \$ _____

Caution Organizations that are not covered by the General rule and/or the Special rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Schedule B (Form 990, 990-EZ, or 990-PF) (2001)

Name of organization

Employer identification number

ATLANTIC LEGAL FOUNDATION

23-2022920

Part I Contributors (See Specific Instructions)

(a) No	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1		\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
2		\$ 20,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
3		\$ 20,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
4		\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
5		\$ 30,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
6		\$ 10,400.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Name of organization

Employer identification number

ATLANTIC LEGAL FOUNDATION

23-2022920

Part I Contributors (See Specific Instructions)

(a) No	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7		\$ 30,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
8		\$ 40,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
9		\$ 61,215.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
10		\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
11		\$ 12,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
12		\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Name of organization

Employer identification number

ATLANTIC LEGAL FOUNDATION

23-2022920

Part I Contributors (See Specific Instructions)

(a) No	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
13		\$ 10,100.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
14		\$ 17,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Name of organization

Employer identification number

ATLANTIC LEGAL FOUNDATION

23-2022920

Part II Noncash Property (See Specific Instructions)[illegible]

Asset No	Description	Date Acquired			Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis - (TC, 179, Salvage)	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
	MANAGEMENT AND GENERAL OFFICE FURNITURE AND													
1	FIXTURES				SL	5.00	16	14,655.			14,655.	14,655.		0.
2	OFFICE FURNITURE AND FIXTURES				SL	5.00	16	24,605.			24,605.	24,605.		0.
3	COMPUTER - COMPUDYNE P100	12	31	96	SL	5.00	16	1,380.			1,380.	1,127.		253.
4	H P LASER JET OFFICE FURNITURE AND	06	21	98	SL	5.00	16	1,150.			1,150.	630.		230.
5	EQUIPMENT	06	15	00	SL	5.00	16	3,767.			3,767.	420.		777.
	* 990 PAGE 2 TOTAL							45,557.		0.	45,557.	41,437.	0.	1,260.
	MANAGEMENT AND GENERAL													
	* GRAND TOTAL 990 PAGE 2							45,557.		0.	45,557.	41,437.	0.	1,260.
	DEPR													

FORM 990	SPECIAL EVENTS AND ACTIVITIES				STATEMENT	1
DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME	
FUNDRAISING DINNER	63,000.		63,000.	29,100.	33,900.	
TO FM 990, PART I, LINE 9	63,000.		63,000.	29,100.	33,900.	

FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT			STATEMENT	2
DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE		
OFFICE FURNITURE AND FIXTURES	14,655.	14,655.	0.		
OFFICE FURNITURE AND FIXTURES	24,605.	24,605.	0.		
COMPUTER - COMPUDYNE P100	1,380.	1,380.	0.		
H P LASER JET	1,150.	860.	290.		
OFFICE FURNITURE AND EQUIPMENT	3,767.	1,197.	2,570.		
TOTAL TO FORM 990, PART IV, LN 57	45,557.	42,697.	2,860.		

SCHEDULE A	OTHER INCOME			STATEMENT	3
DESCRIPTION	2000 AMOUNT	1999 AMOUNT	1998 AMOUNT	1997 AMOUNT	
ATTNY FEES CARROLL STUDENT FEE CASE	0.	0.	0.	25,000.	
ATTNY FEES NORTH SHORE CONCRETE CASE	0.	231,000.	0.	0.	
TOTAL TO SCHEDULE A, LINE 22	0.	231,000.	0.	25,000.	



Atlantic Legal Foundation

ATLANTIC LEGAL FOUNDATION ACTIVITIES IN 2001

"First Chair" Cases

Deegan, et al. v. State of New Jersey (New Jersey Firefighters)

ALF is representing eight New Jersey firefighter candidates suing the State of New Jersey and the United States, challenging the design, administration and scoring of the 1999 entry-level New Jersey firefighter exam

On June 1, 2001, ALF filed a complaint in the United States District Court for the District of New Jersey on behalf of eight New Jersey firefighter candidates (including minority candidates and one female candidate), with the State of New Jersey and the United States as defendants, challenging the design, administration and scoring of the 1999 entry-level New Jersey firefighter exam

The most recent exam, administered early in 1999, contained three parts, each given equal weight. cognitive ability, physical fitness and "teamwork" ability (based on "biodata" information). A candidate must pass each part to be eligible for ranking. Many candidates, some with extensive experience as volunteer firefighters, law enforcement officers or emergency medical technicians, have been informed that they passed the cognitive and physical fitness tests, but failed the "teamwork" test. The New Jersey Department of Personnel ("NJ DoP") refuses to allow candidates to review the "teamwork" part of the test, refuses to disclose which of the approximately 150 questions were "counted" (NJ DoP acknowledges that only some of the questions counted toward the score, and that other questions were used merely for examination diagnostic and design purposes), refuses to disclose what answers were considered "correct," and refuses to disclose whether some questions and answers were given more weight than others. Our clients scored well on the cognitive and physical fitness parts of the exam, but failed the "biodata" part of the test.

We are challenging the exam results on two grounds. first, the refusal of DoP to permit review of the "teamwork" part of the exam is a denial of due process because it makes it impossible for candidates to challenge the exam in the State administrative appeals process, and second, because portions of the "teamwork" exam are not "job-related."

The state defendants and the United States have answered. Our case has been consolidated with *Antonelli v. New Jersey*, a similar case, and discovery has commenced.

This litigation is in the public interest because it seeks to ensure that public safety personnel are hired on the basis of genuine qualifications, and that applicants for civil service employment are afforded due process in the administrative appeals system.

Gamble v. Zoellick

In this case the Foundation brought an action against the Secretary of Commerce and the U.S. Trade Representative to force the Government to resume meetings of the Industry Sector Advisory Committee for Chemicals and Allied Products and to limit membership on the committee to representatives of producers of chemical and related products. The suit was partially successful in that committee meetings, after ten months' suspension, were resumed; however, representatives of "environmental interests" were held to be appropriate committee members. The court's opinion stated that ALF's legal contentions had "appeal," but held that the plaintiffs had not established the invasion of a "legally protected interest which is concrete and particularized."

This case was in the public interest because it sought to ensure (a) that U.S. trade negotiators adhere to their statutory mandate to seek advice from affected U.S. industries and (b) that the public is represented in international trade negotiations by fully informed and well-advised U.S. negotiators.

GEOD Corporation v. New Jersey Department of Transportation

On June 1, 2001, ALF filed a complaint in the United States District Court for the District of New Jersey. We challenge New Jersey's Minority and Women's Business Enterprise Program and the New Jersey Department of Transportation's Disadvantaged Business Enterprise program as violations of the equal protection rights of GEOD, a white male-owned firm.

The State of New Jersey moved to dismiss, on the basis that GEOD lacks "standing" and on Eleventh Amendment state immunity grounds. The motion was argued on December 17, 2001. The judge, ruling from the bench, denied the defendants' motion as to all federal claims for equitable relief and as to the claims for damages against the state officials, he granted the motion as to our state law claims.

Fact discovery has begun, and is to be completed by May 2002 (although this deadline is very likely to be extended). We expect that this case will entail substantial discovery and extensive use of experts with respect to the state's "disparity study" and the state's calculation of the minority/women/disadvantaged "goals."

This litigation is in the public interest because it seeks to ensure equal protection for all, and to stop invidious racial preferences.

Minnich v. Gargano

We are local co-counsel for Institute for Justice in a case challenging, on due process grounds, New York State's Eminent Domain Procedures Law. That law provides that the only notice that needs to be given to property owners of a final determination that use of eminent domain to take their property is "in the public interest" is by publication in a newspaper. No personal or mail notice need be given.

Judge Harold Baer, Jr. initially granted plaintiffs a preliminary injunction as to the Port Chester aspect of the case; he denied the preliminary injunction as to the Minnich's East Harlem property.

because it was premature (because there is no imminent threat of condemnation) and as to the St. Luke's church property because the condemnation has already occurred. The Port Chester defendants appealed, and the U.S. Court of Appeals for the Second Circuit reversed, holding that there was doubt as to the likelihood of success. On remand, on September 17, 2001, Judge Baer granted the defendants' post-hearing motions for summary judgment, on standing grounds as to the Minnich plaintiffs and on *res judicata* grounds as to the plaintiff in the Port Chester case. The case is once again on appeal to the Second Circuit.

This case is in the public interest because it seeks to limit the abuse of the eminent domain power by state agencies, when the agency does not follow constitutionally mandated procedures.

***NFIB v. Whitman* (EPA Lead Reporting Rule)**

On April 26, 2001, ALF, as attorneys for the National Federation of Independent Business ("NFIB"), filed an action in the United States District Court for the District of Columbia against Christine Todd Whitman, as Administrator of the Environmental Protection Agency ("EPA"), and EPA, challenging the EPA's new lead reporting rule, which had become effective on April 17, 2001. The Government has answered, and a scheduling order has been submitted to the court.

This case involves an EPA final rule reducing the "manufacture, process, or otherwise use" reporting threshold for lead and lead compounds under the Toxics Release Inventory ("TRI") program to 100 pounds -- a reduction by a factor of 250 in the case of facilities that "manufacture or process" lead and by a factor of 100 in the case of facilities that "otherwise use" lead. 66 Fed. Reg. 4500 ("the Rule"). This action was taken based on EPA's view that "lead and lead compounds are (highly) PBT (persistent, bioaccumulative, toxic) chemicals." *Id.* at 4501. The Rule also eliminates the *de minimis* exemption for lead and lead compounds. The combined effect of reducing the reporting threshold and eliminating the *de minimis* exemption will be to subject perhaps tens of thousands of additional facilities to the burdens of (1) making "manufacture, process, or otherwise use" threshold determinations for lead and lead compounds, and (2) preparing and filing annual TRI reports. We allege (1) that EPA did not follow the procedures mandated by the Regulatory Flexibility Act ("RFA") as amended by the Small Business Regulatory Enforcement Fairness Act, (2) that the Rule suffers from a questionable evaluation of small business impacts and that EPA engaged in virtually no small business consultation before publishing the proposed rule, (3) EPA's evaluation of the overall costs and benefits of the Rule is questionable, (4) the Rule is not based on sound science, (5) EPA did not seek independent peer review and refer the question of the scientific appropriateness of applying PBT criteria to metals to its Science Advisory Board (SAB) before deciding whether to include metals in any of the Agency's PBT programs or lists, and, (6) the Lead Reporting Rule is retroactive, and thus violates the Administrative Procedures Act.

The government has filed a "certified copy" of the administrative record, but its version of the record is deficient because it omits dozens of internal e-mails and interagency and public comments, which we have obtained through FOIA requests. Our motion to supplement the administrative record is pending. The original schedule, which called for briefs on the merits should be submitted to the court by the end of April, has been delayed until 60 days after the motion to supplement is decided.

At the same time, discussions are taking place with EPA regarding the "charge" to the Science Advisory Board and a possible review of the use of the PBT methodology with respect to metals.

This case is in the public interest because it seeks to prevent the imposition of substantial burdens on small business through a regulation that was adopted in violation of statute because EPA did not follow the required procedural process, because the Rule is not based on sound science, and because the reduction of the reporting threshold violates Congressional intent and is beyond the authority of EPA

Amicus Cases

Adams v. Florida Power

In the last quarter of 2001 we were working on an *amicus* brief in support of Florida Power in this case in the Supreme Court of the United States, in which *certiorari* had been granted. Our brief was filed on February 25, 2002.

This case involved a claim by a group of 117 former employees of Florida Power, all more than 40 years of age at the time they were laid off during a corporate "downsizing," that they were discriminated against in violation of the Age Discrimination in Employment Act, as amended, 29 U.S.C. sec. 621, *et seq.* The district court initially certified a class consisting of all Florida Power employees over 40 years old who were laid off, but later decertified the class because there would be a class only if their claims could be premised on a theory of "disparate impact," which the district court held was not available under the ADEA. The district court certified for interlocutory appeal the issue of the applicability of "disparate impact" analysis to ADEA claims, and the Eleventh Circuit accepted the case. The Court of Appeals affirmed the denial of class status, and held that the ADEA contained language similar to that in the Equal Pay Act, 29 U.S.C. sec. 206(d)(1)(iv), which the Supreme Court has interpreted to preclude disparate impact claims.

Our brief focused on the unique history and persistence of racial discrimination which was the basis for the Court's decision in *Griggs*, and argued that no similar basis exists with respect to age discrimination, the subsequent judicial and statutory history of Title VII "disparate impact," including the Supreme Court's decision in *Ward's Cove v. Atonio* limiting the use of disparate impact analysis, and the 1991 amendments to Title VII explicitly recognizing claims based on disparate impact, and argued these factors were not applicable to the ADEA because although the ADEA was also amended in 1990 and 1991, Congress did not add language similar to the new provisions of Title VII. Based on unofficial reports of the oral argument on March 20, these issues were of interest to the Court.

After our brief was filed, the Supreme Court dismissed the petition for *certiorari* as having been "improvidently granted", thus allowing the Eleventh Circuit's decision affirming the denial of class status, which we support, to stand.

The issue is important, and the case would have provided an opportunity for the Supreme Court to limit the use of "disparate impact" as a basis for employment discrimination claims, and to limit the spread of the impact of the Court's ruling in *Griggs v. Duke Power Co.*, 401 U.S. 424 (1971), a Title

VII case, which has had widespread, and often mischievous, influence in imposing liability where there is no proof of a discriminatory motive. This case was in the public interest because had the Supreme Court reached the merits, it would have decided important constitutional equal protection issues.

Adarand Constructors v. Mineta

On June 11, 2001, ALF filed an *amicus* brief on behalf of GEOD Corporation and Atlantic Legal Foundation in this case, which was before the U S Supreme Court for the third time. Unfortunately, the Supreme Court dismissed the petition for *certiorari* as improvidently granted, and remanded.

In our brief to the Supreme Court, we argued

- The 10th Circuit improperly took judicial notice of the Appendix
- Even if the Appendix were admissible, it does not sustain the government's burden of providing a "strong basis in evidence" that there is a "compelling" government interest in adopting racial, ethnic and gender criteria in awarding contracts because many of the disparity studies are flawed, the Congressional testimony was usually from biased witnesses, the statements of Congressmen were often clearly "political" and not factual, and none of this material was subject to cross-examination or serious judicial scrutiny.

Because the Supreme Court dismissed the petition, it did not reach the merits, including the issues we briefed. Mountain States Legal Foundation expressed great appreciation for our work.

This case was in the public interest because had the Supreme Court reached the merits, it would have decided a very important issue relating to the constitutionality of "affirmative action" programs.

Alcan Aluminum v. U.S.

In this case ALF appeared in support of Alcan Aluminum's appeal to the U S Circuit Court of Appeals for the Second Circuit in a Superfund case. The United States claims that nickel and PCBs from a waste site leached into the ground water. Alcan was one of the companies that used the dump for disposal of industrial waste. The Daubert issue which ALF addressed is whether the court improperly ignored nineteen tests conducted by the federal EPA which showed that the amount of nickel and PCBs in the groundwater at the site and in surrounding areas was no higher than normal "background" levels.

This case is in the public interest because it is part of ALF's "sound science in the courts" project, which seeks to ensure that the proper scientific method is used in deciding cases.

Beharry v. INS

We have begun work on an *amicus* brief in support of the United States if the government appeals in this case. Donald Beharry, a lawful permanent resident of the U S, is a convicted felon (for robbery). Pursuant to statute, the Immigration and Naturalization Service ordered him deported.

Beharry sought a "hardship exemption" and waiver of deportation because his daughter, now 8 years old, was born in the U S and thus is a citizen. The exemption was denied, because Beharry's claim does not fall within any of the statutory deportation exemption categories. Beharry petitioned for a writ of habeas corpus in the U S District Court for the Eastern District of New York Judge Jack Weinstein, acknowledging that the U.S. statutes do not provide for an exemption in this case, and acknowledging that he was making new law, decided that "customary international humanitarian law," including treaties and conventions to which the U S is not a party, or which have not been ratified, "overrides" U S statutory law, and that "in the interests of the child," Beharry should be permitted to stay, and he granted the petition

We believe this is an egregious example of judge-made law, and because the district court improperly used concepts from unratified treaties to override clear U S statutory mandates The case is in the public interest because we seek to ensure that the judiciary interprets U.S law and does not "make law."

Carrillo v. Lockheed Martin

In December, 2000, we filed an amicus brief on behalf of medical experts in epidemiology, toxicology and public health, in the Supreme Court of the State of California in this case, which involves the issue whether a claim for payment by an alleged polluter of the costs of "medical monitoring" of a large number of individuals is properly certified as a "class action" or whether it must be decided case-by-case based on numerous factors pertaining to the individual plaintiff The case involves claims for payment by the defendants for "medical monitoring" of residents of Redlands, California Plaintiffs live near a Lockheed plant and were allegedly exposed to high levels of trichloroethylene (TCE), perchlorate and other chemicals used at the plant and dumped (or allowed to leak) into the water supply of the City of Redlands TCE and perchlorate are solvents used in many industrial applications Prolonged exposure at high levels has allegedly been associated with certain carcinomas, but there is no association or a weak association between low levels of these chemicals and any cancer

The issue is whether claims for reimbursement of the costs of medical monitoring are properly certified for class action status -- that is, whether there are sufficient predominant common factual and/or legal issues among numerous individual plaintiffs The trial court certified a class, but the Court of Appeal (an intermediate appellate court) held that there were disparate and dissimilar issues of duration and intensity of exposure, pre-existing medical conditions and other factors differentiating the individual members of the putative class, and therefore class action status should be denied

ALF's brief supports the conclusion of the Court of Appeal, and argues that the issues of length of exposure, concentration of exposure, consumption of drinking water, pre-existing medical conditions, and genetic susceptibility are all issues that must be determined for each individual, and create issues that derogate from the "commonality" of issues of fact

This case is still *sub judice*, and in 2001 we continued to follow developments in the case.

This case is in the public interest because, if our position is adopted by the California Supreme

Court, it will deter the bringing of frivolous claims for compensation for speculative “injury.”

Castillo v. DuPont

In November 2000, Atlantic Legal Foundation filed an amicus brief in the Supreme Court of the State of Florida in support of defendants in a case in which the plaintiff claims that her single and transient exposure to Benlate, a fungicide made by DuPont, while she was pregnant, resulted in her child being born with microphthalmia (severely underdeveloped eyes). We represented four experts in teratology (the science dealing with birth defects), each a professor at a medical school, and each well-recognized as an expert in the field, as *amici*.

The issue in this case is whether the testimony of plaintiffs' expert was admissible under Florida law. Florida follows the “general acceptance” test articulated in *Frye v. U.S.*, the forerunner of *Daubert*. As in *Daubert* and numerous other cases in which ALF has participated, plaintiffs' expert conducted no epidemiological study, and there are in fact none, that link Benlate to teratogenic (embryonic) deformities such as microphthalmia.

The trial court admitted the testimony of plaintiffs' expert, but the intermediate appellate court reversed, holding that the expert's methodology was not “generally accepted” in the field of teratology.

Our brief argued that plaintiff's expert had not considered the extant epidemiological studies, that his extrapolation from rodent gavage (direct injection of the allegedly teratogenic substance) was erroneous, and that he made other serious methodological errors.

In Florida Supreme Court procedure, the parties are permitted to file supplemental papers after oral argument, and both sides have submitted numerous post-argument filings. In 2001, we continued to follow developments in the case. The case is *sub judice* before the Florida Supreme Court.

This matter serves the public interest because it brought before the highest court of Florida the expertise of outstanding specialists and refuted “junk science” claims of a discredited “expert.”

Charter Schools

In 2001, we filed *amicus* briefs in three charter school cases, two in New York and one in New Jersey. In the *Roosevelt* case the Third Department rejected arguments that we opposed which would have made the chartering process more difficult, if not impossible, to navigate. In the *Syracuse* case, the Fourth Department rejected a union's appeal from a decision holding that a charter school's renovation project was not to be deemed a “public work” for the purposes of the Labor Law or the General Municipal Law. ALF's *amicus* brief, filed on behalf of the New York Charter Schools Association and The Center for Educational Innovation – Public Education Association, argued that the lower court's ruling was correct and sided with the arguments of the Department of Labor.

New York Attorney General Spitzer contended that there was no exemption. A decision in the

union's favor would have subjected charter school construction and renovation work to competitive bidding and prevailing wage requirements.

The appellate court reached the right result - - favoring less restriction on charters - - but did so in an unusual way. It held that the appeal was moot because the renovation contracts at issue were entered into before the charter school took title to the property.

It is likely that this important issue will surface again and ALF will be well-positioned to participate

The New Jersey case has been put on the "back burner" as the new administration has indicated that its position on charter school regulation has shifted. A new commission on urban education has been appointed and its deliberations may render the appeal moot. ALF's client, the New Jersey Charter Public Schools Association, should be able to participate in those deliberations as a result of our motion giving it *amicus* status.

The charter schools cases are in the public interest because charter schools provide an innovative alternative to "traditional" public schools, and usually result in superior educational outcomes for students.

Kennedy v. Southern California Edison

In September 2000, Atlantic Legal Foundation filed an *amicus* brief in the United States Court of Appeals for the Ninth Circuit on behalf of four Nobel Prize winners in Medicine, Physics and Chemistry, the Vice-Chair of the Department of Radiation Oncology at the University of California at San Francisco, the Dean *emerita* of the School of Public Health at the University of California at Berkeley, and numerous other prominent scientists, including physicians specializing in cancer, epidemiologists, and physicists with expertise in nuclear physics and radiation exposure in support of Southern California Edison Company's and Combustion Engineering, Inc.'s petition for rehearing *en banc* of a decision by a three-judge panel, which held that a jury could find for the plaintiffs if they found that the likelihood of plaintiffs' decedent contracting cancer from exposure to radiation from a nuclear generating station was as low as "one in one hundred thousand."

ALF's brief argues that the plaintiffs' decedent's exposure was purely hypothetical because there was no evidence that there was any radiation in her home, no evidence as to the amount of exposure, and no evidence as to the radiation dose she received. ALF also argues that, even assuming the "worst case" scenario hypothesized by plaintiffs' experts, the dose received from the hypothetical particle of nuclear fuel that might have been carried into decedent's home was far less than the "background radiation" to which everyone is exposed, far below any levels deemed safe by the Nuclear Regulatory Commission and professional scientific bodies, and far too small to have been causally linked to any illness.

On September 19, 2001, the same 3-judge panel of the Ninth Circuit which had handed down the original decision (which we had argued was erroneous) withdrew its opinion without further opinion (a very unusual occurrence). On September 26, 2001, that same panel filed another opinion, this time affirming the trial court, and reversing (without explicitly stating it was doing so) its own prior decision. In the September 2001 opinion, the court cited ALF's brief, referring to ALF's clients as

“distinguished amici in the scientific community” In December, 2001, appellants’ motion for rehearing en banc was denied. The plaintiffs, in their recently filed petition for *certiorari* to the United States Supreme Court, attributed the Ninth Circuit’s virtually unprecedented action by the appellate court largely to ALF’s brief

ALF’s *amicus* brief was in the public interest because, on behalf of extremely knowledgeable scientists, it educated the Court of Appeals on science issues that had not been fully briefed by the parties

Mold Litigation

The next major “science and the law issue” is likely to be the proliferation of claims that mold is causing illness and property damage. This is an issue that should be of importance to manufacturers (particularly of building materials), owners and managers of real estate (including hotels, office buildings and residential property), property and casualty insurers, mortgage lenders, bankers, etc

More particularly, the plaintiffs’ bar has already begun to bring a large number of lawsuits involving claims of sickness and bodily injury (often coupled with property damage claims) allegedly caused by the presence of mold inside homes, offices and other work places. The potential exposure of a broad class of defendants is enormous, perhaps more serious than the asbestos situation. If there has been any significant coordination on the defense side it has not come to our attention or to the attention of those active in mold defense work

A common thread in any litigation involving health claims is likely to be the admissibility of expert testimony linking the presence of mold with the alleged injury. As Ronald Gots M.D, Ph D, a member of ALF’s Advisory Council, has noted, “I feel sick, there is mold, therefore, the mold made me sick” is not proper scientific reasoning. The application of reliable evidence and the best scientific assessments to the central cause-in-fact issue should be critical. ALF’s mold initiative will focus on this issue.

ALF’s intends to represent the public interest in ensuring that the best medical and scientific analysis applied in a mold case, and that the partisan interests of any industry, or group of litigants do not unduly influence judicial and regulatory outcomes

The project is in the public interest because we will strive for scientific and medical objectivity.

Navarro v. Missouri Pacific Railroad

On August 29, 2001, we filed an *amicus* brief in support of the defendant-appellant in this case, which is on appeal to an intermediate Texas state appellate court. We represented a group of distinguished scientists, and argued that the trial court erred in allowing the jury to hear the scientifically flawed testimony of plaintiff’s experts. The Supreme Court of Texas, in *Merrell Dow Pharm, Inc v Havner*, 953 S W 2d 706 (Tex 1997) adopted the *Daubert* principles of judicial scrutiny of expert testimony (some would argue that Texas has even more stringent criteria for admissibility)

Plaintiff claimed that his deceased wife, who worked for the railroad in a number of capacities, but primarily as a clerk, developed multiple myeloma from exposure to diesel fumes from locomotives. The trial court admitted the testimony of plaintiff’s experts over the objection of the defendant

railroad The experts' testimony related to extent of Mrs Navarro's exposure and a claimed association between diesel exhaust fumes and cancer The jury returned a plaintiffs' verdict of \$2 million

Our brief argued that the foundation of the testimony of plaintiff's experts was a flawed and unreliable estimate of exposure which was based on very little data and no empirical measurement, and that there is little if any support in the scientific literature for an association between diesel fumes and multiple myeloma Indeed the studies that are most on point specifically failed to find an association

The appeal was argued on September 11, 2001 Counsel for the railroad expressed appreciation for our effort The case is still *sub judice*

This case is in the public interest because it is part of ALF's "sound science in the courts" project, which seeks to ensure that the proper scientific method is used in deciding cases

Tahoe-Sierra Preservation Council v. Tahoe Regional Planning Agency

On September 19, 2001 we filed an *amicus* brief on behalf of American Association of Small Property Owners ("AASPO") and 15 local and state organizations in support of petitioner and seeking reversal of the Ninth Circuit's decision ALF's brief argues that the use and enjoyment of private property is a fundamental constitutional right, one that is vital to a democratic society, that the takings clause was designed to protect this core value, and that the Supreme Court has long recognized that limitations on the exercise of rights in private property are as much "takings" as are physical invasion of property.

In May 2002, the U.S. Supreme Court dismissed the petition for certiorari

Our participation and brief in this case was in the public interest because we sought to have the Supreme Court clarify its confusing jurisprudence in the "takings" area.

Comment Letter in Federal Regulatory Proceeding

In December 2001, ALF submitted a comment letter in a U.S. Department of Health and Human Services rulemaking proceeding involving a compensation scheme for government workers, such as nuclear weapons production workers, who may have contracted cancer as a result of exposure to radiation in their jobs Our letter urged that the radiation standards built into the compensation scheme expressly be made *inapplicable* to civil litigation, since they rest in part on disputed science

This activity was in the public interest because ALF sought to ensure that HHS recognized the questionable scientific basis for its decision to pay compensation and the risks of establishing an unsound precedent

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Vice Chairman/Director Douglas Foster, Esq Phone (413) 458-4315
96 Bulkley Road, Williamstown, MA 01267

Treasurer/Director Howard J Rudge, Esq Phone (302) 652-3736
302 Centennial Circle, Wilmington, DE 19807

Secretary/Director Dirk R Soutendijk, Esq Phone (973) 334-9237
52 Briarcliff Road, Mountain Lakes, NJ 07046

Director Francis B Burch, Jr , Esq Phone (410) 580-4040
Piper, Marbury, Rudnick & Wolfe LLP, 6225 Smith Ave , Baltimore, MD 21209

Director William J Calise, Jr , Esq Phone (414) 212-5355
Rockwell International Corp , 777 E Wisconsin Ave , Milwaukee, WI 53202

Director George S Frazza, Esq Phone (212) 336-2621
Patterson, Belknap, Webb & Tyler, LLP, 1133 Ave of the Americas, New York, NY 10036

Director William H Graham, Esq Phone (610) 694-7718
Bethlehem Steel Corp , 1170 Eighth Ave , Bethlehem, PA 18016-7699

Director Stephen J Harmelin, Esq Phone (215) 575-7060
Dilworth Paxson LLP, 1735 Market St , Philadelphia, PA 19103-7595

Director Ernest B Hueter Phone (202) 466-9360
National Legal Center for the Public Interest, 1600 K St , N W , Suite 800, Washington, DC 20006

Director Quentin J Kennedy Phone (201) 541-9412
22 Old Smith Road, Tenafly, NJ 07670-2227

Director Edwin L Lewis, Esq Phone (978) 262-8612
American Science and Engineering, Inc , 829 Middlesex Tpk , Billerica, MA 01821

Director William B Lytton, Esq Phone (203) 541-8526
International Paper Co , 400 Atlantic St , Stamford, CT 06921

Director Paul S Miller, Esq Phone (212) 573-3637
Pfizer Inc , 235 East 42nd St , New York, NY 10017

Director Clifford B Storms, Esq Phone (203) 622-4995
Two Sound View Drive, Greenwich, CT 06830

Director S Maynard Turk, Esq Phone (302) 658-7886
Stewart & Associates, Chase Manhattan Centre, 1201 Market St , Wilmington, DE 19801

ATLANTIC LEGAL FOUNDATION
EIN 23-2022920

STATEMENT # 5 (P. 2 of 2)

Director Stephen T Whelan, Esq
Thacher Proffitt & Wood, 11 West 42nd St , New York, NY 10036

Phone (917) 331-9059

Director Charles R Work, Esq
McDermott, Will & Emery, 600 13th St , N W , Washington, DC 20005-3096

Phone (202) 756-8000

Director James I Wyer, Esq
St John & Wayne, L L C , Two Penn Plaza East, Newark, NJ 07105-2249

Phone (973) 491-3322